

Message Text

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ACTION EUR-10

INFO OCT-01 EA-07 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-03 FPC-01 H-01

INR-10 INT-01 L-02 NSAE-00 NSC-07 OMB-01 PM-03 RSC-01

SAM-01 SCI-03 SP-02 SS-14 STR-01 TRSE-00 FRB-01 PA-01

USIA-04 PRS-01 XMB-01 OPIC-02 LAB-01 SIL-01 DRC-01

/095 W

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R 102119Z OCT 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4747

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY TOKYO

UNCLAS OTTAWA 3348

E.O. 11652: N/A

TAGS: EFIN ETRD OVIP (EBERLE, WILLIAM D.)

SUBJECT: RACTION TO PRESIDENT'S ECONOMIC PROPOSALS AND AMBASSADOR

EBERLE'S CONSULTATIONS

REF: OTTAWA 3334

1. SUMMARY. MONTREAL GAZETTE OF OCTOBER 10 CARRIED TWO LEAD EDITORIALS ON PRESIDENT FORD'S ECONOMIC PROPOSALS AND ON CONSULTATIONS WITH CANADA. FIRST EDITORIAL SOMEWHAT CRITICAL OF PROGRAM BUT SECOND PREDICTS PRESIDENT COULD BE "MOST CONSTRUCTIVE IN THE AREA OF CANADIAN-AMERICAN RELATIONS SINCE FRANKLIN ROOSEVELT". GAZETTE ALSO CARRIED ARTICLE ON ALLEGED ADVERSE BUSINESSMEN'S REACTION TO ECONOMIC PROPOSALS AS DID OCTOBER 9 TORONTO STAR. END SUMMARY.

2. LEAD EDITORIAL IN OCTOBER 10 MONTREAL GAZETTE ENTITLED
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"FORD'S ECONOMIC PROGRAM" STATES "NONE OF THE PRESIDENT'S TEN PROPOSALS CALL FOR ANY DEGREE OF SACRIFICE FROM THE

BULK OF AMERICANS. THIS IS PARTICULARLY SURPRISING IN THE ENERGY-RELATED FIELDS, WHERE A NATIONAL ENERGY BOARD IS TO BE ESTABLISHED UNDER EASYGOING INTERIOR SECRETARY ROGERS C.B.MORTON. AS FOR INFLATION, THE PROGRAM CONTAINS LITTLE NEW, WITH CONTINUED RELIANCE ON TRADITIONAL MARKET FORCES AND NOT ENOUGH ON PRICES AND UNION RESTRAINT."

3. THE EDITORIAL ALSO SPECULATES ON CONSEQUENCES OF ECONOMIC PROPOSALS ON CANADA, AND SAYS "RELAINCE ON CANADIAN ENERGY RESOURCES WILL NOT BE REDUCED AND GOVERNMENT-TO-GOVERNMENT TALKS ON A MACKENZIE VALLEY PIPELINE ROUTE FOR ALASKAN RESOURCES ARE PROPOSED; CANADIAN FOREST PRODUCTS WILL FIND A WELCOME DEMAND FROM THE HOUSING INCENTIVES IN THE PROGRAM; AND THE CANADIAN AUTO INDUSTRY SHOULD NOT SUFFER UNDULY BECAUSE OF THE INTEGRATED NATURE OF THE FIELD AS A RESULT OF THE CANADA-U.S. AUTO PACT."

4. THE PAPER FINDS ONE NEGATIVE ASPECT FOR CANADA IN THAT "THE MORE ATTRACTIVE INVESTMENT ATMOSPHERE IN THE U.S. THROUGH INCREASED TAX CREDITS TO STIMULATE BUSINESS EXPANSION ... COULD POSSIBLY WITHHOLD PROSPECTIVE EXPANSION MONEY FROM CANADA."

5. THE SECOND LEAD EDITORIAL ENTITLED "FORD AND CANADA-U.S. COOPERATION" SPECULATES ON THE FUTURE RELATIONS BETWEEN THE TWO COUNTRIES UNDER PRESIDENT FORD'S ADMINISTRATION. THE EDITORIAL FOLLOWS: BEGIN QUOTE. THE EXTENSIVE ARRANGEMENTS MADE BY PRESIDENT FORD FOR CONSULTATION WITH CANADA AND OTHER ECONOMIC PARTNERS ON THE IMPACT OF HIS PROGRAM ABROAD CONSTITUE ONE OF THE STRONG POINTS OF HIS POLICY.

MR FORD COMES FROM A BORDER STATE, MICHIGAN, AND HAS SERVED ON JOINT U.S.-CANADA PARLIAMENTARY GROUPS. HE COULD TURN OUT TO BE THE MOST CONSTRUCTIVE PRESIDENT IN THE AREA OF CANADIAN-AMERICAN RELATIONS SINCE FRANKLIN ROOSEVELT, WHO WITH MACKENIZE KING
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ESTABLISHED THE BASIS FOR THE KIND OF DISCREET COMMITTEE DIPLOMACY PRACTISED BETWEEN THE TWO COUNTRIES EVER SINCE.

TODAY CANADA IS MORE INTERDEPENDENT WITH THE UNITED STATES THAN EVER, YET ALSO MORE ASSERTIVE OF ITS ECONOMIC AUTONOMY AND DISTINCT INTERNATIONAL ROLE. THIS WOULD INDICATE THE NEED FOR A REVISED FRAMEWORK OF RELATIONS IN WHICH THE TWO COUNTRIES COULD ATTACK BOTH MORE OPENLY AND WITH MORE DETERMINATION THE

PROBLEMS INVOLVED IN THEIR ECONOMIC AND SOCIAL COOPERATION.

BOTH NATIONS COULD DO NO BETTER THAN BEIN BY MAKING MORE EXTENSIVE USE OF THE INTERNATIONAL JOINT COMMISSION, A BODY WHOSE RECOMMENDATIONS ON PRESSING POLLUTION PROBLEMS IN THE BORDER AREA HAVE SUFFERED FROM NEGLECT. THE IJC FRAMEWORK OF DEALING WITH MUTUAL PROBLEMS OFFERS EQUALITY OF REPRESENTATION FROM THE TWO COUNTRIES, EXPERT INVESTIGATION, AND PUBLIC HEARINGS OF ALL INTERESTED PARTIES ON BOTH SIDES OF THE BORDER. THE VENERABLE COMMISSION IS AVAILABLE, EITHER AS VEHICLE OR MODEL, TO ACCOMMODATE BOTH GREATER COOPERATION AND GREATER EXPRESSION OF INDIVIDUAL NATIONAL INTERESTS IN THE CONDUCT OF CANADA-U.S.
RELATIONS END QUOTE

6. UNDER HEADLINE "CANADIANS MOSTLY DISAPPOINTED", OCT 10 GAZETTE CARRIED CP ARTICLE ON ALLEGED ADVERSE RE-ACTION BY CANADIAN BUSINESSMEN AND ECONOMISTS TO PRESIDENT FORD'S ECONOMIC PROGRAM. QUOTING A FEW CRITICISMS BY TORONTO ACADEMICS AND BUSINESSMEN, ARTICLE CONCLUDES THAT "CANADIAN BUSINESS COMMUNITY GENERALLY EXPRESSED DISAPPOINTMENT WITH PRESIDENT FORD'S INFLATION PROGRAM." HOWEVER, ARTICLE WENT ON TO QUOTE ONE TORONTO BANKER WHO STATED THAT INTENTION TO STIMULATE HOUSING WOULD BE SHOT IN THE ARM FOR CANADA'S SAGGING LUMBER INDUSTRY.

7. OCT 9 TORONTO STAR QUOTES SAME BUSINESSMEN AS ABOVE IN ARTICLE ENTITLED "U.S.FALLS SHORT IN INFLATION FIGHT
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SAY CANADIANS". ARTICLE ITSELF MUCH LESS CIRITICAL THAN HEADLINE INDICATED WITH SEVERAL QUOTES FAVORABLE TO PRESIDENT'S PROPOSALS ON MONETARY AND FISCAL POLICY, RESOURCES INDUSTRIES, HOUSING, AND INVESTMENT TAX CREDITS.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, PRESS COMMENTS, ENERGY, CONSERVATION, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA03348
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740289-0310
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741056/aaaabvsk.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: OTTAWA 3334
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAR 2002 by chappeld>; APPROVED <29 APR 2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RACTION TO PRESIDENT'S ECONOMIC PROPOSALS AND AMBASSADOR EBERLE'S CONSULTATIONS
TAGS: EFIN, ETRD, OVIP, (EBERLE, WILLIAM D)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005